



# CITY OF NEWPORT NEWS

## PERSONNEL ADMINISTRATIVE MANUAL

Effective Date: 4/01/08

SECTION

**604**

SUBJECT

### **SALARY ADMINISTRATION POLICIES**

The policies stated in this section apply to regular full-time employees and, unless otherwise stated, to regular part-time and temporary employees in jobs classified in the General, Hourly, Fire and Police and Management Salary Schedules. Specific Salary Administration Policies applicable to jobs in the Fire and Police Salary Schedule are stated in Section 604, Attachment II, Salary Administration Policies – Fire/Police Salary Schedule.

#### **I. DETERMINATION OF STARTING SALARY FOR NEW EMPLOYEES**

A new employee shall be paid at least the minimum salary of the salary range for the job unless the employee is in an underfill position as described below.

In cases where the applicant selected significantly exceeds the minimum qualifications, the Director of Human Resources or the City Manager may approve a starting salary above the minimum salary or rate for the job. The department head must provide written justification to support any recommendation to hire an employee above the minimum salary. Recommendations that employees be hired above the minimum salary will be thoroughly reviewed and documented. Internal equity will be reviewed and considered. The Director of Human Resources is authorized to approve starting salaries of up to 20% above entry. The City Manager's approval is required for starting salaries of more than 20% above entry.

In cases in which the most suitable applicant does not fully meet the minimum standards for the job the applicant may be appointed on an underfill basis to a lower level job in the same or related job structure for which the applicant is qualified. The starting salary will be established by the Director of Human Resources based on the employee's qualifications and other relevant factors. When a position has been underfilled, the employee may be administratively promoted when the employee meets and sustains the minimum qualifications for the higher position.

The provisions of this policy will not necessarily apply to the determination of the salary of an employee promoted, demoted, transferred or reclassified to another position. See appropriate policies below.

#### **II. PERFORMANCE BASED SALARY ADJUSTMENT**

The City's compensation plan is based on the principles of external and internal compensation equity with salary adjustments based on the employee's job performance. Each fiscal year, a compensation plan is established by City Council. Salary ranges may be adjusted and employees may be eligible for a general salary adjustment in accordance with issued policies and guidelines.

AMENDS/SUPERSEDES  
SECTIONS 604, 05/01/96

REFERENCES

APPROVAL

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City Council may also periodically provide for salary increases which are based on individual job performance. This paragraph addresses general policies for performance based pay adjustments. The City Manager will issue specific policies and guidelines governing eligibility for performance increases and the amounts of increases which may be granted during that fiscal year, if any.

Generally, performance adjustments are recommended by the department head based upon the degree to which the employee meets and sustains performance standards which include factors such as the type and level of work performed, the degree to which the employee meets the position's full performance knowledges, skills and abilities, how well the employee performs job functions and discharges responsibilities, the degree to which the employee meets goals and objectives, the degree to which the employee's performance furthers City values and goals, and the employee's conduct.

- A. Each employee's job performance and salary will be reviewed in accordance with policy and with compensation guidelines issued that year.
- B. Any performance based increases is not automatic. In order to be eligible for a performance increase, the employee must meet and sustain the standards for a higher salary level within the range. Refer to Section 604, Attachment I, Compensation Philosophy and Guidelines, for more detailed information on job performance and competency standards.
- C. An employee who is on disciplinary probation or performance probation is not eligible for a performance based increase that year. Should an employee subsequently be placed on disciplinary probation with an effective date retroactive to the proceeding year, and the employee received a performance increase in the earlier year, then the employee will not be eligible for a performance increase in the following year.
- D. An employees who is on leave of absence, long term medical or other leave, light duty, alternative employment or Workers' Compensation leave is not eligible for performance increases until he/she returns to full, unrestricted duty in his/her regular job.
- E. In no case will an employee be eligible to receive a performance increase to a salary higher than that supported by the employee's performance. Refer to Attachment I.
- F. In no case will an employee be granted a performance increase that places the employee's salary above the maximum salary of the range.

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### References:

Attachment I: Compensation Philosophy and Guidelines

Attachment II: Salary Administration Policies - Fire/Police Schedule

### III. PROMOTIONS

An employee who is fully qualified and promoted to a higher level job in the same or a related job structure through a regular selection process is eligible to receive a salary increase as follows:

- A. An employee who is fully qualified for the higher level job may be granted a promotional increase within the following guidelines:
  - a. The standard adjustment for a promotion is the minimum salary for the new salary range or 5% above the employee's base salary in the lower job, whichever is greater.
  - b. In addition, other relevant factors may be considered and balanced in determining the appropriate amount of the promotional increase. These factors and the range of adjustment apply only in compelling situations and they do not constitute a set formula for determining the amount of adjustment. Rather, the amount of a promotional adjustment will be based on consideration of relevant circumstances of the individual case.
    1. When the employee is promoted from a job that is overtime eligible to a job that is not eligible for overtime, the employee may be granted up to an additional 5%. The amount should consider both whether overtime was frequently worked in the overtime eligible job and the expectation for required overtime in the exempt position.
    2. When the employee is undertaking significant supervisory responsibility, or when the employee is given additional management responsibility, the employee may be granted up to an additional 5%. In cases of significantly higher level management responsibility, up to an additional 10% may be granted.
    3. Consideration is also given to compensation equity and to the qualifications of the employee for the job.

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4. Promotional increases will be recommended by the department head in consultation with Human Resources. The Director of Human Resources is authorized to review and approve promotional increases of up to 20%. Larger adjustments require authorization of the City Manager.
- B. Promotional increases may be withheld or may be granted for lesser amounts than those stated above if the employee's qualifications do not meet those required for the higher salary. (For employees who do not fully meet the qualifications for the higher level position, refer to Section 408, Underfill Status.) In no case will an employee be granted a promotional increase above the salary range maximum.
- C. Actions requiring the City Manager's authorization will be submitted to the Director of Human Resources who will make a recommendation to the City Manager.
- D. Promotions will become effective at the beginning of a pay period.
- E. Promotions to jobs within the Fire/Police Schedule and from jobs in the Fire/Police Schedule to jobs in the General Schedule will be handled in accordance with Section 604 - Attachment II.

#### **IV. ADMINISTRATIVE PROMOTIONS**

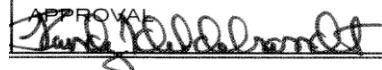
- A. When an employee is placed in an approved training capacity or has underfilled a higher level job, the employee may be administratively promoted to the higher job or to an intermediate level job in the job structure when the employee meets all of the requirements for the higher job.
- B. The employee who is administratively promoted is eligible for a promotional increase to the entry salary of the higher job or, if the employee's salary is within the higher salary range, the employee may receive a promotional increase of up to 5%. However, in unusual and compelling cases and in the interest of compensation equity, the Director of Human Resources may authorize a greater adjustment, not to exceed a maximum of 15% considering the same factors that apply to promotions as stated in Paragraph II above.

#### **V. DEMOTIONS AND SALARY REDUCTIONS**

- A. When an employee is transferred or demoted to a job in a lower salary range, the employee will be subject to a corresponding salary reduction.

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- B. The employee's salary upon transfer or demotion will be determined based on the employee's qualifications for the lower job.
- C. The usual reduction is at least 5% although a lesser or greater reduction may be approved by the Director of Human Resources, depending upon the circumstances. Salary reductions require the approval of the Director of Human Resources.
- D. The same provisions apply in situations where an employee is demoted in-grade.

### VI. TRANSFER

An employee who transfers to another closely related position or job in the same or equivalent salary range will generally transfer at the employee's same salary. An employee who transfers to another position or job in the same salary range which is not considered closely related or to a job in a higher or lower salary range which does not qualify as a promotion or demotion will be placed at a salary level that reflects the employee's qualifications for the new job. The salary level will be determined by the procedure used for determining starting salary.

### VII. CAREER DEVELOPMENT ASSIGNMENTS

Certain position vacancies may be designated as "Career Development Assignments" in accordance with Section 306, Assignment/Transfer/Reassignment Of Employees.

1. When an employee is transferred to a Career Development Assignment expected to last one year or less, generally there is no change in salary. At the end of the assignment, the employee would be expected to return to their regular assignment or transfer to another position in accordance with regular policy.
2. If the employee is transferred to a Career Development Assignment in a higher position classification which is expected to last more than one year, the employee will be considered for a salary adjustment in accordance with standard salary administration policy.
3. If the employee is transferred to a lower position classification, the employee will generally transfer at his/her regular salary.
4. While in a Career Development Assignment, the employees will be eligible for other salary adjustments in accordance with appropriate policy.
5. Determination of appropriate salary action is made by the Director of Human Resources.

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## **VIII. EMPLOYEES HELD AT CURRENT RATE**

Any employee whose salary is above the position in range supported by the employee's performance is considered ineligible for any salary increase until one of the following criteria has been met:

1. The employee is promoted or reclassified to a job in a higher salary range, provided the employee's salary is not at or above the maximum of the higher range and provided the employee's job performance supports a higher salary level.
2. Adjustments to the salary range raise the salary for the employee's performance level above the employee's current salary.
3. The employee's performance improves to a level supporting a higher salary placement.

## **IX. JOB RE-GRADING AND RECLASSIFICATION**

- A. When a job or position is re-graded to a different salary range but the job responsibilities have not significantly changed, such as in the case of restructuring of the job hierarchy or a grade adjustment to more closely reflect appropriate labor market salaries, the incumbent employee's salary is not generally subject to adjustment unless it is below the entry salary for the new salary range. In this case, the employee's salary will be adjusted to the entry salary.
- B. When a job or position is reclassified to a lower salary range based on significantly changed responsibilities which have occurred because of departmental needs or other reasons not related to the employee's performance, and the change is not due to the employee's request, the incumbent employee is not generally subject to a salary reduction.
- C. When a position or job is reclassified to a higher salary range based on significantly increased job responsibilities, the incumbent employee may be eligible for a salary adjustment. When the reclassification is based on major changes in responsibilities such as taking on supervisory responsibilities, or additional significantly higher level technical or professional responsibilities, the employee may qualify for a reclassification adjustment corresponding to the City's promotional salary increases at the time the reclassification is effective.
- D. Reclassifications based on job studies or compensation plan revisions may have separate policies governing salary adjustments.

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- E. The above salary adjustment guidelines notwithstanding, each reclassification will be reviewed on an individual basis to determine the appropriate salary adjustment, if any. In no case will a salary action place the employee's salary above the level supported by job performance. Any salary adjustment will be effective the first of the pay period following approval of the reclassification. Unless otherwise recommended by the Director of Human Resources and authorized by the City Manager, reclassification adjustments will not be retroactive.
- F. All reclassifications of regular full time positions and associated salary actions require authorization of the Director of Human Resources and the City Manager.

## **X. EMPLOYEES PLACED IN ACTING CAPACITY**

- A. When acting status has been authorized in accordance with Section 405, the employee may receive a temporary salary adjustment, as follows:
1. If the employee is assuming the full duties, responsibilities and accountabilities of the higher position and meets the qualifications for the higher level job, the employee will normally receive a temporary acting status pay adjustment of up to 5% upon approval of the Director of Human Resources. Up to 10% may be approved when the employee is assuming significantly higher level job responsibilities.
  2. If the employee is assuming significantly higher level of work but with less than the full duties, responsibilities and accountabilities of the higher level position or does not meet the qualifications for the higher level job, the employee is not formally placed in acting status but may be granted a temporary salary adjustment usually limited to no more than 5% upon approval by the Director of Human Resources.
- B. The employee will continue to accrue benefits and be eligible for salary increases on the employee's base job and salary. Any increase in base pay while in acting status is processed normally. Corresponding adjustments may be made on acting salaries, upon approval by the Director of Human Resources.

## **XI. SPECIAL PAY ADJUSTMENT**

Other provisions of this section notwithstanding, the City Manager may authorize special pay adjustments on an individual basis in the interest of compensation equity or to recognize significant additional responsibilities or accomplishments that impact the employee's performance and support a higher salary placement. Such adjustments are usually granted only in the most compelling of circumstances. Special adjustments are normally limited to 5% but may be granted up to 10%.

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Recommendations for special pay adjustments should be submitted by the Department head to the Director of Human Resources. The Director of Human Resources will conduct a full analysis and recommend appropriate action to the City Manager.

## **XII. MERIT BONUS**

- A. Merit bonuses may be awarded by the City Manager for exceptionally meritorious service or special act that is considerably above and beyond the normal scope of assigned duties and responsibilities.
- B. Regular full-time employees may be awarded merit bonuses in any amount up to \$500, when recommended by the employee's department head, approved by the Director of Human Resources and authorized by the City Manager.
- C. Employees designated as Executive Staff by the City Manager may be awarded merit bonuses in any amount up to \$1,000 when approved by the City Manager.
- D. Merit bonuses are one-time, lump sum payments and shall not be considered as part of an employee's base salary for salary administration purposes.

## **XIII. SUPPLEMENTAL PAY**

Supplemental pay may be granted to employees who in addition to their regular job functions and responsibilities, have additional responsibilities or duties requiring specific and additional skills, certifications or licenses. Functions and responsibilities qualifying for supplemental pay and the amounts of supplemental pay are specifically authorized by City Council.

Refer to Section 612, Supplemental Pay Policies and Procedures

## **XIV. PART-TIME AND TEMPORARY SALARY SCHEDULE ADMINISTRATION**

- 1. A separate salary schedule is established for temporary and part-time positions that are not generally the equivalent of regular full-time jobs classified in the City's Classification and Pay Plan. The temporary and part-time salary schedule is administratively established and administered by the City Manager and the Director of Human Resources. The Director of Human Resources is authorized to classify temporary and part-time positions and jobs in the appropriate pay schedule or salary range.

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2. Employees in the Part-time and Temporary Salary Schedule may be granted salary increases in accordance with compensation policies established each fiscal year by the City Manager.
3. A part-time or temporary job fully equivalent to an existing regular full-time job may be assigned to the same pay range as the full-time job subject to approval by the Director of Human Resources.
4. Refer to Section 605, Salary Administration Policies - Temporary And Regular Part-Time Positions.

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